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ABSTRACT

This document focuses on the need for public schools in the United States to develop the capacity of individuals to participate successfully in the nation's economy. An introduction discusses the impact of schools on the American economy and the effects of the economy on education. Section 2 lists objectives to which the American education system must be rededicated in order to improve economic growth and development through workers. Section 3 presents those activities that state departments of education must undertake to develop the capacity of individuals to participate successfully in the nation's economy. In section 4 recommendations for improving education and thereby economic development are directed at a variety of organizations and agencies, including the Council of Chief State School Officers, state education agencies, local education agencies, business/industry and labor, the U.S. Department of Education, and higher education. Section 5 provides the Council of Chief State School Officers' policy statement on education and economic development. (YLB)

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Position Paper & Recommendations for Action November 1986

EDUCATION AND THE ECONOMY

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The CCSSO Study Commission, directed by Robert Maurer, President, prepared this paper, with assistance from CCSSO staff.

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EDUCATION AND THE ECONOMY

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INTRODUCTION

Schools have an enormous impact on the economy of our nation, its regions and the states. They affect both the quality and productivity of American business and industry and the nation's competitive position in world markets by the quality of the labor force they provide. Our education system also assures economic choice—the individual's ability to choose and train for an occupation, a profession or a craft—and business' ability to choose skilled workers and, through university research, to select training, management and organizational techniques and to pursue product and production innovations. Just as the economy is affected by education, so is education affected by economic conditions. Decisions on revenue sources and the amount and direction of school expenditures are of critical importance to state and local educators and policymakers, but they are largely determined by national, state and local economic conditions and policies.

Education policymakers and administrators typically focus their attention on organizational structure, governance, assessment and evaluation, teacher quantity and quality, changing curricular needs and the resources required to address those issues. Increasingly, these issues are being considered in light of significant demographic changes occurring in our society. Education policymakers and administrators must fully understand that national, state, and local economic policies also will influence every issue they face.

The Council of Chief State School Officers (CCSSO) has spent the past year reviewing two major questions:

1. How does education affect the economy? What microeconomic issues, including changing demographics and job markets, will education have to address?

2. How does the economy, particularly such macroeconomic issues as monetary, tax, fiscal, trade, expenditure, and revenue policies affect education?

While experts disagree on the rate and extent of coming economic changes, they do agree on the following:

- Continual change in the economy is certain;
- International competition is causing profound, continuing changes in the nature of work and the skills required to do it;
- The rapid application of technologies, driven by international competition, will continue to have uncertain but significant effects on the skills required for working;
- Our nation will remain competitive in the world economy only through increased productivity resulting from a highly trained and adaptable workforce;
- Because technology is universally and instantaneously transportable across national boundaries, the retention of our technological advantages are no longer assured;
- Fewer jobs will be available in manufacturing, and those jobs will entail far greater technical skills than manufacturing jobs required in the past; and
- The greatest growth in jobs will be in the service sector, and those jobs will require greater technical skill than previously needed.

These changes in the nation's economy will be arduous for both institutions and individuals. Further, adapting to change will be made more difficult because the emerging workforce is changing more rapidly and drastically than the workplace itself. Because of demographic shifts, there not only will be fewer job seekers from which employers may choose, but there will be larger proportions of entry-level job seekers from minority, female and other populations for whom we traditionally provided the least effective educational services and economic opportunities.

Economic changes also will affect the adult working population, which will be required to function in a world of work that will demand continuous training and retraining, constant adaptation to new conditions and new competition, and frequent and creative applications of new technologies to old products and services. When technological change or shifting competition results in job elimination, workers will have to be retrained for new careers.

These conditions were dramatically summarized by the report of the Carnegie Foundation's Task Force on Education and the Economy:

> "America's ability to compete in world markets is eroding. The productivity growth of our competitors outdistances our own. The capability of our economy to provide a high standard of living for all our people is increasingly in doubt. As jobs requiring little skill are automated or go offshore and the demands increase for the highly skilled, the pool of educated and talented grows smaller and the backwater of the unemployable rises."

A recent survey of all states by the CCSSO Study Commission revealed that while state departments of education have policies on vocational and career education, they generally are not actively involved in state-level policy decisions on revenues or other economic issues.

Based on the findings of the survey, the Council concludes that:

- State departments of education should have policies on economic development;

- Education should be an integral part of state-level economic policy;

- States should require students to study areas related to economics; and

- States should examine models of articulation between secondary vocational and postsecondary technical programs and interagency collaboration to collect job-market data.

Generally, education agencies can make important contributions to national, state and local economic growth by more clearly focused efforts and more effective collaboration with business, industry and labor.

EDUCATION'S CONTRIBUTIONS TO IMPROVED ECONOMIC GROWTH AND DEVELOPMENT

The quality of educational services has a direct impact on the environment in which economic activity and decisions occur. The American education system has the capacity to improve the education and training of youth and adults who are entering or reentering the workforce. In order to accomplish that task, however, the system must be rededicated to the following objectives:

- The basic skills of all students must be improved;
- All students must be assisted in the development of higher-order thinking and reasoning skills required in the emerging labor market;
- All students must be helped to acquire appropriate employability skills, including positive attitudes toward work and employment;
- All students must acquire an understanding of the nature and demands of the future workplace and its effect on the students' career choices and opportunities;
- The literacy and employability skills of unemployed and underemployed adults must be improved;
- College and university research must become more relevant to the changing needs of the evolving workplace and the resultant workforce;

- Educational institutions at all levels must be prepared to provide training and retraining opportunities for employees of business and industry;

- Existing public and private revenues currently being used to accomplish independent, yet common, training goals must be used in more coordinated, cost-effective ways;

- Business and industry must be provided with a highly skilled and internationally competitive workforce to ensure that employers do not resort to job reductions, unnecessary automation and other restrictions in order to attain their economic objectives; and

- Vocational education in high schools and regional technical centers must be targeted toward employment areas with job opportunities and include improved teaching of academic and reasoning skills.

THE NEED FOR EDUCATION AGENCIES TO ACT

This document focuses on the need for public schools to develop the capacity of individuals to participate successfully in the nation's economy. The attainment of this goal depends on the initiation of new programs, as well as the continued reform of the education system. State departments of education are uniquely positioned to play an active, facilitating role in this effort. To be catalysts, the states must:

- Establish an education voice in the national debate on international and national economic policies;

- Influence national, state and local education and economic development policies;

- Increase the level of academic, career and personal skills of graduates of the elementary and secondary school system;

- Significantly reduce illiteracy among adults within the next decade;

- Increase the high school completion rates of disadvantaged populations;

- Provide a coordinated system of training and retraining in cooperation with American business, industry and labor;

- Establish a research capacity regarding work organization and employment skills that offer choices for individuals and opportunities for business to expand jobs and employment opportunities;

- Accommodate growth in the number of women and single parents in the workforce by establishing a child-care system and providing education, health and social services for pre-kindergarten children;

- Establish state and local school-to-work transition programs and support systems for disabled and handicapped students;

- Create with business, industry and labor a capital investment strategy to ensure that students are trained on technologically current equipment and in appropriate facilities;

- Develop a process for delineating the resources needed at all levels to ensure the provision of necessary revenue to meet the fiscal needs of education; and

- Significantly improve or redefine vocational education programs.

RECOMMENDATIONS

TO THE COUNCIL OF CHIEF STATE SCHOOL OFFICERS

- At the national level, the Council should initiate discussions aimed at improving the coordination of vocational education, employment training and job development programs. The Council should work to ensure that federal legislation supports this objective.

- The Council should promote state and local pre-kindergarten programs, including day care and education, health and social services for children under the age of 5. The Council also should support programs for school-age children that provide before- and after-school care, promote more efficient use of facilities, and extend day/week/year timetables to provide additional instructional time.

- The Council should develop a consortium with the American Society for Training and Development (ASTD), the National Conference of State Legislatures (NCSL), the National Governors' Association (NGA), and the Committee for Economic Development (CED) to define and ensure education's role in the development of state and regional economic and fiscal policies. The consortium would:

  - cooperate with the states and university-based economic and educational researchers in the identification of new and evolving work skills necessary to meet the changing demands of the workplace;
  - identify and disseminate state and local education agency practices regarding economic education, school/business alliances, employer assessment of new workers and economic development programs;
  - identify or assist in developing model state and local policies related to education and economic development;
  - identify ways of combining existing national and state education and business/industrial training and retraining networks;

- create a coalition of national and state education organizations to ensure an education voice at national and international economic forums;
- monitor and report on national fiscal and tax policies that affect education; and
- identify and disseminate the best education and training practices and methods of schools and colleges, the military and business/industry.

- The Council's State Education Assessment Center should cooperate with business and labor to improve the quality of indicators employers use to assess entry-level employability skills.

- The Council should identify the resources needed to increase public awareness of the demographic and economic conditions that affect education's role in ensuring the economic health of the nation and the growth of the states.

- The Council should identify the resources needed to develop a consortium of states to examine the uses of computer-based education systems to upgrade the skills and educational level of the nation's workforce.

- The Council should develop strategies for reemphasizing the role of vocational education in teaching and reinforcing basic academic skills and knowledge and developing employability skills, stressing career exploration as an essential part of education. Such strategies should include seeking appropriate changes in future federal vocational education legislation.

TO STATE EDUCATION AGENCIES (SEAs)

- SEAs should develop jointly with business/industry and labor policy statements on education and economic development. These statements should include the acknowledgment and assessment of education's capacity to contribute to economic growth, individual opportunity and choice, and should generate government and private sector support.

- SEAs should coordinate their own educational resources with those of other government programs to ensure efficiency as well as effectiveness in providing education and training programs that contribute to state and local economies.

- SEAs should assume leadership in coordinating employment and training systems with business/industry and labor.

- SEAs should establish requirements for career counseling and employment exploration early for all students. Middle school or junior high school curriculum should ensure that minority and female students have continued opportunities for math, science and technical education.

- SEAs should recommit themselves to the expansion of adult and re-defined vocational education, evening high school, lifelong learning, community education and work-cooperative programs.

- SEAs should establish statewide coalitions of education, business, labor and agencies to coordinate state and local educational and vocational funding sources to meet specific objectives for economic growth and job opportunities.

- SEAs should provide leadership and technical assistance to LEAs in the following areas:

  - improved programs for developing basic skills, communication skills, and decision-making skills;
  - stronger parent involvement in program development and decision making;
  - staff development in such economic concepts as work ethic, attitudes and productivity;
  - development of a continuum of programs and services for at-risk children; and
  - identification of curricular objectives, including improvement of academic and reasoning skills in vocational education students and development of positive attitudes toward work and learning, and understanding of free enterprise concepts beginning in the primary grades.

- SEAs should examine existing legislation and regulations and act to remove barriers to local authority in training, school facility use, early childhood education, lifelong learning and community education.

TO LOCAL EDUCATION AGENCIES (LEAs)

- LEAs should provide educational materials and opportunities for parents to become aware of economic and educational choices for themselves and their children.

- LEAs should ensure that the curriculum encourages understanding of American and foreign cultures, foreign languages and economics, in order to prepare the nation's citizenry for participation in an increasingly competitive international economy.

- LEAs should use technical assistance available from SEAs in curriculum and staff development activities related to global education, the work ethic, productivity, etc.

- LEAs should ensure that their existing programs address basic literacy and communications skills, scientific literacy and critical thinking skills for students in grades K-12.

- LEAs and local businesses should form partnerships and develop networks and programs that address local problems related to education and the economy.

- LEAs should provide leadership in the development of curriculum, adoption of textbooks, and identification of learning outcomes that support the development of the work ethic, thus enabling individuals to perform productively and contribute to the growth and health of the economy.

- LEAs should establish education and training programs that enable handicapped and disadvantaged students to participate fully in the labor force and provide resources and incentives for disadvantaged students to finish school and enter the workforce as productive employees.

- LEAs should encourage year-round use of school facilities by the community, including business and industry.

- LEAs should develop strong career guidance and counseling programs in K-12 to strengthen an understanding of the world of work.

- LEAs should expand opportunities for lifelong learning and community education, particularly to recover adults who have not completed high school and lack job skills.

TO BUSINESS/INDUSTRY AND LABOR

- Employers should make educators aware of the specific job skills necessary for employment and success in the workplace.

- Employers should expect education to contribute to the development of economic policies and programs, just as business has contributed to education reform.

- Employers should ensure that well-trained and well-educated high school and college students are rewarded with job opportunities.

- Employers should support efforts to improve school performance through national, state, and local coalitions to review and recommend necessary changes and resources for schools.

- Employers should provide nonschool work opportunities to teachers to help them learn about business and the world of work outside the school.

- Employers should provide exploratory work experience (summer, after school, etc.) for students, especially for at-risk students, to encourage maximum participation in the labor force by all citizens.

TO THE U.S. DEPARTMENT OF EDUCATION (ED)

- ED should assume a leadership role in relation to education and the economy by participating actively in international and national economic policy debate, and by assisting a national partnership among education, business and labor to ensure a quality work force.

- ED should work with states and the Council, using its regional labs and other resources to address the topic of education and the economy.

TO HIGHER EDUCATION

- Higher education should collaborate with SEAs to revise teacher education standards to include understanding of economic concepts and global education.

- Higher education should conduct research that supports the development of new products and production methods that emphasize job creation and employee retention.

- Higher education should establish a clearinghouse for keeping business and industry informed of technological innovations and work-related research.

- Higher education should underwrite the indirect costs of government or private-sector research grants in order to become more competitive.

- Higher education should develop the capability of doing research on the current and future technological needs of the workplace.

POLICY STATEMENT ON EDUCATION AND

ECONOMIC DEVELOPMENT

The Council of Chief State School Officers believes that the nation's education system should guarantee business, industry, and labor a well-qualified workforce in exchange for the expansion of employment opportunities and job creation based on state and locally measured educational achievement and employability skills. The Council further believes that in order to accomplish this goal, the following related issues must be examined:

- Provision of adequate educational revenue at the national, state, and local level;

- Extended use of educational facilities and personnel for business and industrial training and retraining, and for community education and lifelong learning;

- Opportunities throughout the year for both K-12 students and adults to participate in vocational and academic programs;

- Expanded program offerings for both students and adults to ensure academic growth through specified learning outcomes that increase employment options and career choices; and

- Expanded employment and training opportunities for at-risk youth and economically and educationally disadvantaged populations.